



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 14, 2015

CERTIFIED RETURN RECEIPT  
7013 3020 0002 3659 6092

Richard B. Pyne  
Topaz Mountain Adventures  
337 South 800 East  
Santaquin, Utah 84655

Subject: Review of Reclamation Surety, Topaz Mountain Adventures, ML 47821 & ML 46956/Cubical 2, S/023/057, Juab County, Utah

Dear Mr. Pyne:

The reclamation surety for the referenced mine site needs to be increased by \$2838.00 from \$8300.00 to \$11,138.00. Of this amount, \$10,138.00 is for disturbances on areas managed by the Bureau of Land Management and \$1000.00 is for School and Institutional Trust Lands.

In 2014 the Division of Oil, Gas and Mining used average costs per acre to calculate the reclamation cost estimate as \$8300.00, but the BLM performed a more detailed calculation and determined the amount required for the portion of the disturbance on BLM land was \$10,138.00 as shown on the attached spreadsheet.

Please provide the increase by October 30, 2015. The current reclamation surety is in the form of a surety bond. You may provide a rider increasing the amount in the surety bond, or you may provide cash, a certificate of deposit, a letter of credit, or a new surety bond for either the increased or the full amount. Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at [pennyberry@utah.gov](mailto:pennyberry@utah.gov) for information about submitting the additional surety.

Thank you for your help in keeping the surety current. Please contact the permit lead for this mine, Wayne Western, at 801-538-5263 if you have questions concerning this requirement.

Sincerely,

Paul B. Baker  
Mining Program Manager

PBBwhw:pb

Enclosure: Cost estimate spreadsheet

cc: Joelle McCarthy, Fillmore BLM ([jmccarth@blm.gov](mailto:jmccarth@blm.gov))  
Opie Abeyta, BLM SO ([oabeyta@blm.gov](mailto:oabeyta@blm.gov))

P:\GROUPS\MINERALS\WP\M023-Juab\S0230057-Sprunger-3sites\final\Increase-09142015.doc





\* Assumption: Road is 10 ft. wide, rather than 14 ft. (on reverse).

Actual Road Length is  
1706 meters (5596 feet)  
for "mine access only" road  
segment.

July 18, 2014		Notice Level Exploration Reclamation Cost Model				SRCE 2011 Cost Data Version 3.2			
		From SRCE Cost Data with Acreage Calculators							
		UTU-85667 - Sprunger Mine - Small Mine Plan of Operations							
Linear Feet of Road On a Side Slope	Linear Feet		Labor Cost	Manpower	Equipment	Materials	Cost/Linear Foot	Road Reclamation	
<30%	3,397 *	Recontouring Cost <30%	\$369	\$0.11	\$0.14	\$0.00	\$0.25	\$832	
>30%		Recontouring Cost >30%	\$0	\$0.31	\$0.39	\$0.00	\$0.70	\$0	
Drill Sites and Sumps	Number			Manpower	Equipment	Materials	Cost each	Pad& Sump Reclamation	
Drill Sites < 30% slopes		Recontouring Cost	\$0	\$36.60	\$45.40	\$0.00	\$82.00	\$0	
Drill Sites > 30% slopes		Recontouring Cost	\$0	\$117.20	\$145.80	\$0.00	\$263.00	\$0	
Drill Sites Cross Country		Ripping Cost	\$0	\$12.40	\$29.20	\$0.00	\$41.60	\$0	
Sumps	0	Recontouring Cost	\$0	\$22.67	\$28.20	\$0.00	\$50.87	\$0	
	Linear Feet			Manpower	Equipment	Materials	Cost/Linear Foot		
Trenches	1,435	Recontouring Cost	\$1,449	\$1.01	\$1.67	\$0.00	\$2.68	\$3,846	
Cross Country Travel		Ripping Cost	\$0	\$0.01	\$0.03	\$0.00	\$0.04	\$0	
	Slope Acres			Manpower	Equipment	Materials	Cost/Acre		
Total Revegetation Acres	2.19	Revegetation Cost	\$184	\$63.94	\$72.10	\$332.75	\$488.79	\$1,073	
				Manpower	Equipment		Mob+Demob		
150 miles Mobilization		Mobilization Cost-excavator	\$667	\$666.54	\$782.46		\$1,449.00	\$1,449	
150 miles Mobilization		Mobilization Cost-dozer	\$447	\$447.30	\$617.70		\$1,065.00	\$1,065	
Drill Holes Open	#/Feet			Manpower	Equipment	Materials	Cost/Foot	Drill Hole Plugging	
Feet of Open Holes - Wet		Plugging Cost - Wet	\$0	\$0.46	\$1.14	\$0.55	\$2.15	\$0	
Feet of Open Holes - Dry		Plugging Cost - Dry	\$0	\$0.52	\$0.24	\$0.05	\$0.81	\$0	
Feet of Casing to Pull		Pulling Casing	\$0	\$1.80	\$4.45	\$0.00	\$6.25	\$0	
				Manpower	Equipment		Mob+Demob		
150 miles Mobilization		Mobilization Cost - Wet	\$0	\$1,123.92	\$1,998.08		\$3,122.00	\$0	
150 miles Mobilization		Mobilization Cost - Dry	\$0	\$692.25	\$372.75		\$1,065.00	\$0	
Disturbance Type	Total Acres	Total Linear Feet	Slope Acres					Total Reclamation Cost	
Roads	1.38	3,397	1.40					\$8,265	
Drill Sites	0.00		0.00						
Sumps	0.00		0.00						
Trenches	0.79	1,435	0.79						
Cross Country	0.00	0	0.00					Total Labor	
total Notice acres	2.17	total slope acres	2.19					\$3,116	
green cells with blue font is for user input		Contingency*				10% Total Reclamation Cost		\$0	
yellow cells are unit costs		Insurance				1.5% Labor Cost		\$47	
black font cannot be changed		Perf. And Payment Bonds*				3% Total Reclamation Cost		\$0	
red font are calculated values with formulas		Contractor Profit				10% Total Reclamation Cost		\$826	
that can not be changed		Contract Administration				10% Total Reclamation Cost		\$826	
		Indirect Costs				21% of Contract Administration Cost		\$174	
* Contingency and Performance and payment Bonds required only if total reclamation cost > \$100,000								Total Administration Cost	
								\$1,873	
			Cost per acre			Financial Guarantee			
			\$4,677			Amount		\$10,138	